Information Services Board (ISB) Meeting Minutes
Department of Information Services Board Room, The Forum Building
Olympia, Washington
May 20, 1999

Members Present:	*By teleconference:*
Charlie Baum	none
Emilio Cantu	
Jim Coolican	
Joe Dear	
Tom Fitzsimmons	
Earl Heister	
Steve Kolodney	
Ed Lazowska	
Marsha Tadano Long	
Cathy Wolfe	
Others Present:	*Members Absent:*
Paul Taylor	William Finkbeiner
	Mary McQueen
	Jayasri Guha

Call to Order

Mr. Joe Dear, Information Services Board (ISB) Chair, called the meeting to order.

Roll Call

Sufficient members were present to constitute a quorum.

Approval of Minutes

The minutes from the March 10, 1999, ISB meeting were approved.

Review of Optional Use Contracts

Mr. Paul Taylor, Deputy Director, Department of Information Services (DIS) introduced Mr. Joe McGavick, an independent consultant for R & G Associates, to provide his findings from a Board-directed review of legal, policy, and business issues related to optional use contracts. Mr. McGavick was asked to examine the policy and practices associated with the original contract for Hewlett-Packard (HP) computer and peripherals held by the Computer Information Services (CIS). The independent assessment looked at contract administration, price performance, and satisfying the legal requirements of public procurement. It included an examination of the authorization for follow-on use in the ISB policy. Mr. Taylor said CIS cooperated fully in the assessment and that the director, Mr. Vic Albino, was in attendance and would comment to the Board about CIS' approach moving forward.

In presenting his findings, Mr. McGavick stated that

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DIS and CIS had different approaches to procurement. CIS preferred to enter into long term contracts, whereas DIS has pursued options intended to take advantage of spot market pricing in a volatile market. Mr. McGavick observed that agencies prefer to streamline the procurement process by buying off of contracts with a provision for follow-on use, to avoid the lengthy, expensive bidding process. The acquisition policy that regulates the follow-on use of contracts has been interpreted broadly. Forty-nine percent of the $44 million spent on the CIS contract comes from follow-on use. With a contract that large, the importance of contract management increases and at CIS, the Chief Financial Officer and his administrative assistant are the only resources available to manage the contracts.

Mr. McGavick's report to the Board included a number of recommendations: CIS should develop and publish a clearly written explanation on how agencies may use their contracts according to Washington State Laws; CIS should recover its costs to administer follow-on use of its contracts; the exact discount offered should be disclosed to buyers; ISB staff should redevelop the acquisition policy to clearly articulate DIS authority granted by RCW 43.105 to establish master contracts and ISB authority over information technology procurements; the policy also should state precise rules for follow-on use of other agencies contracts; and CIS should monitor its contracts to ensure the vendor's are following all provisions.

Mr. Albino thanked DIS and Mr. McGavick for providing a study that could help CIS better serve its clients. He stated that he contacted the State Auditor's Office to review the existing HP contract with R and D Industries (RDI) to make sure it was carried out in a legal manner. He agreed to incorporate new policies and procedures in their contracts that result from the analysis of DIS, R&G, the State Auditor's Office, and the Attorney General's Office.

Mr. Jim Coolican said more than 90 percent of the state's 296 school districts buy equipment from the RDI contract. He asked the Board to make certain there are procedures at the state level that allow the districts to purchase technology equipment conveniently, efficiently, and with the best prices available.

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The RDI contract for HP products expires in August and Inacom has been named the apparent successful vendor for HP products. Mr. Dear verified that CIS will confer with ISB and DIS staff about the details of the new contract being negotiated and CIS will follow the guidance of the Attorney General with regard to the expiring contract with RDI.

A motion was made ask ISB staff to prepare a recommended of a master contracts/follow-on use policy for ISB considered.

Motion carried unanimously.

Department of Health (DOH) Drinking Water Information Management Enhancement Project

Mr. David Koch, Senior Technology Management Consultant, DIS, introduced Ms. Mary Selecky, Secretary, The Department of Health (DOH), to request approval of its acquisition plan for the Drinking Water Information Management Enhancement project.

Ms. Selecky said the mission of the Division of Drinking Water at DOH is to protect the health of the people of Washington State by assuring safe, reliable drinking water. The program includes source water protection, periodic system inspection, health advisories, and regulatory reform. DOH plans to build a new system that will enable it to perform essential functions such as quarterly reporting to the EPA and data sharing with the Departments of Ecology and Social and Health Services.

In 1986, when the federal Safe Drinking Water Act was passed, only 23 contaminants were monitored. By 2002, the number is expected to be over 100. Because of the unique requirements in Washington, DOH is taking a phased approach to the system development. The initial phase for which approval was sought, was estimated at $5 million for a "core systems development." DOH has $4 million in federal funds and will determine if it will need to increase water permit fees, look for supplemental funds, or a combination of both to cover the one million dollars that is unfunded.

DOH will issue a Request for Proposal (RFP) in September for a fixed price contract. The agency has analyzed the risks and planned for external quality assurance and RFP coordination on the project. DOH plans to engage the services of a special

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Assistant Attorney General to ensure the contract minimizes risks.

Mr. Steve Kolodney stated the cost for the full system would be $15 million and asked if the "core system" would solve the business problems identified as essential. Ms. Selecky answered, yes. Ms. Kathy Pickens-Rucker, DOH, described the three follow-on projects, totaling nine million dollars, that would be required to complete the full system as an imaging system and a document management system and web-enabling the application for the Internet. The core system will address approximately 40 business processes out of 200 for the division. DOH has no plans to develop the full system at this time.

Mr. Emilio Cantu asked if Washington's system would be interoperable with those of the EPA and other states. Ms. Pickens-Rucker explained that federal systems use older technologies and, because of that, our state can interface and share data but the systems will not be interoperable.

Ms. Marsha Tadano Long asked how long the new system would last and Ms. Pickens-Rucker answered fifteen years. Representative Cathy Wolfe asked why Washington was unique with regard to water systems and was told Washington is the only state that monitors community water systems serving as few as two users and has 16,000 systems to monitor.

Mr. Earl Heister asked if there was a significant difference over the life cycle and a significant advantage of the DOH system over using another state or the federal EPA solution. Ms. Pickens-Rucker said there was no significant difference nor advantage from a purely financial perspective, but that the ability to make changes to the system was an important requirement.

Mr. Kolodney made a motion to approve the acquisition.

The motion carried unanimously.

Department of Retirement Systems (DRS) Electronic Document Image Management System (EDIMS)	Mr. Koch, Senior Technology Management Consultant, DIS, introduced Mr. John Charles, Director, Department of Retirement Systems (DRS), to present and request approval of the acquisition plan for the Electronic Document Image Management

System (EDIMS).

Mr. Charles said DRS is a service agency that handles all the retirement systems and the deferred compensation for the state's public employees. DRS is the administrator of the pension programs for local government employees, teachers, education administrators, police, firefighters, judges, and state agency employees. It collects over $1.4 billion annually from 262,000 active members. The agency disburses over $1.1 billion yearly in benefit payments to 96,000 retirees and beneficiaries. Currently, all 850,000 member files are on paper with no back-up files. DRS projected its workload will double in less than thirteen years and looked at technology as a way to address that. To demonstrate their leadership, DRS recently participated in a successful pilot digital signature project with DIS to submit membership information changes over the Internet and have the data automatically updated in the mainframe employee database.

Mr. Charles introduced Mr. Larry Weber, DRS Acting Assistant Director of Information System Services, and Mr. John Specht, EDIMS Project Manager, to describe the plans for EDIMS. Mr. Weber explained how DRS plans and manages the projects within the agency, with the business requirements driving the technology. One key benefit for EDIMS would be the ability to recover client information files following a disaster. Another is improved customer service by allowing client service representatives instant access to electronic format files when responding to account inquiries. With the existing system, a representative must request the paper file and wait until it is delivered before processing the inquiry. DRS would be able to improve its database and create a digital archive, allowing desktop access and disaster recovery.

Mr. Specht explained that DRS contracted with the Gartner Group for RFP development and third-party expertise. The project plan includes a competitive acquisition, analysis of basic workflow, phased implementation, and pilot testing prior to deployment and total back-file conversion of three million pages of documents. For risk mitigation, DRS would negotiate a fixed-price, deliverables based contract, apply lessons learned from other state agencies that have done imaging projects, and employ an external quality assurance consultant to oversee the progress of the

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EDIMS project.

Mr. Cantu asked if the lifecycle cost of $4.6 million would cover the complete system. Mr. Charles said it would. The cost includes the resources to provide oversight and to periodically evaluate the status of the project for quality assurance. To maintain access to the data in the future, microfiche will be used to create an additional set of records. It was estimated the break-even point for the project will be in about ten years.

Ms. Tadano Long made a motion to approve the acquisition plan for the EDIMS project.

The motion carried unanimously.

Employment Security Department (ESD) Customer Tracking and Accountability System (CTAS)

Mr. Stan Ditterline, Senior Technology Management Consultant, DIS, introduced Mr. Gary Gallwas, Assistant Commissioner for Employment and Training, Employment Security Department (ESD), and Mr. Dennis Cole, One-Stop Executive Director, ESD, to present a proposal and request approval for the Customer Tracking and Accountability System (CTAS). With the Board's approval, ESD would release a RFP for system integrators to provide and tailor an application that meets Washington State and the U.S. Department of Labor One-Stop requirements. The RFP would invite the adaptation of a commercial, off-the-shelf system or one transferred from another state. The acquisition will include hardware, software, business consulting, software customization, and training. The RFP was developed around a feasibility study conducted in the fall of 1998 by Pacific Technologies. The Washington One-Stop Executive Policy Council has approved funding for the project.

Mr. Gallwas said ESD is responsible for the unemployment insurance system, the public labor exchange, and the implementation of the Federal Job Training Partnership Act that provides training and employment services to economically disadvantaged youth, adults, and dislocated workers in Washington. These services are provided through a consortium of twelve private industry councils. Federal grants of $9.5 million funded the regional partnerships, the purchase and remodeling of the One-Stop centers, and marketing of the program. ESD is a partner in the Work First program and delivers re-employment services to a variety of clients.

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Though ESD has been focused on One-Stop for more than two and a half years, a federal reform program passed last August called Workforce Investment Act (WIA) mandated the one-stop delivery of services. One-stop is known as Work Source in Washington. Mr. Gallwas invited Mr. Cole and Mr. Rick Sandler, Work Source Technical Co-Manager, ESD, to complete the presentation.

Mr. Cole said the goal of Work Source is to create universal access for all job seekers and employers, to help people throughout their careers maintain and improve their jobs, and to help employers find qualified workers. It will be possible for a citizen to walk into an office for a core set of services regardless of which agency is responsible for the delivery of the services. It will improve customer service, request customer feedback, and provide tracking for accountability. It should also improve access to the federal labor exchange, America's job bank.

The cost of the procurement is $2.5 million. The agency is concluding its due diligence in investigating the integration at the new federal One Stop Operating System, OSOS, that is due to be in production by August, 1999 in Utah and shortly after that Minnesota and New Jersey. The target date for implementing the CTAS portion of Work Source in Washington will be June 30, 1999, pending Board and Executive Policy Council approvals. It will be a web-based system.

Mr. Cantu requested a report from ESD in three months that identifies and quantifies the benefits in improved services or saved resources to provide a historical record. Mr. Gallwas agreed to provide it.

It was moved and seconded to approve the ESD acquisition plan for CTAS.

Motion carried unanimously.

Overview of Public Sector Use of Geographic Information Systems (GIS)

Mr. Koch, Senior Technology Management Consultant, DIS, introduced Mr. Larry Sugarbaker, Department of Natural Resources (DNR) and Chairman of the Washington Geographic Information Council (WAGIC), to present information about Geographic Information Systems (GIS) and the status of a state strategic plan for GIS.

Mr. Sugarbaker defined GIS as a computer-based tool for mapping and analyzing relationships among people, things, and events. GIS data is spatially referenced to a location on the ground. Historically, GIS data have been digitized or automated from map sources. More recently, automating data from satellites and other kinds of devices that orbit the earth has made it possible to use the data in new ways, such as comparing different sets of data and seeing the content in context. GIS offers an opportunity to see the big picture and to understand patterns, relationships, and trends that can occur both geographically and across time. With GIS, we can see things in a three-dimensional view and analyze complex issues.

Mr. Sugarbaker said GIS may help Washington better understand and solve some major issues in the areas of transportation planning, preserving natural habitats for salmon and endangered species, growth management, water quality, and water resources.

He reported that survey data from a year ago showed that 31 counties and at least 15 state agencies actively use GIS. GIS extends through the educational community, private sector, tribes, utility companies, and metropolitan regional jurisdictions. He sited applications such as DNR's priority habitat and species system that shows known nesting bald eagle sites. Another application shows sewer system outfalls. He explained that the National Census provided a comprehensive data set that allows drawing a reference to median income and growth patterns.

WAGIC has identified some problems that hinder GIS efforts. Many organizations need the same data so there is duplication of effort and automation of the same data sets. Also, organizations lack a common foundation of data to address key policy issues. Washington GIS users need an expanded technology foundation that improves data sharing, format, and interoperability.

One of the ways WAGIC is addressing these issues is through a series of initiatives called Washington Framework Data. Mr. Sugarbaker said it was identifying fundamental themes of data such as transportation, hydrology, elevation, and land ownership, and then creating partnerships to create common data sets through integration. One example

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involved a partnership of DNR and 19 other organizations that is developing a data set that will allow users to view all lands in Washington State on an Internet website.

In its strategic planning process, the GIC identified a vision to build a statewide infrastructure of geographic information. The GIC wants to improve public sector services, maintain the quality of life, preserve the diversity of our natural heritage, and promote an increased awareness of geography. They plan to focus on development of standards, collaboration among organizations, developing data sharing guidelines, and raising awareness of GIS in public policy makers and decision-makers.

Mr. Sugarbaker said there is the need for data integrators to coordinate their efforts and to manage data on a theme by theme basis. The attempt to centralize GIS into a single service center has failed in other states. A framework would bring organizations together in partnership teams, develop standards, and is the preferred approach for the GIC.

M. Kolodney praised Senator Cantu for his early involvement and support of WAGIC. Mr. Kolodney and Mr. Sugarbaker recognized outstanding staff support provided to the GIC by Mr. Jeff Holm, DIS.

Mr. Tom Fitzsimmons encouraged the GIC to pick up the pace to keep up with the many organizations that are moving quickly in their development efforts in GIS. With the salmon recovery program, it has been demonstrated the data integration is instrumental in determining performance measures around functioning ecosystems. He added GIS technology could also be used to manage human services more effectively.

Senator Cantu said the technology makes it easier to make technical decisions rather than political ones.

Mr. Dear said the Legislature just authorized an expenditure of $119 million in capital funds for salmon restoration. The use of that money will be based largely on the quality of geographic information. He invited members of the ISB interested in proceeding with additional involvement to promote GIS to make their interest known. Mr. Kolodney said DIS would staff the effort.

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Mr. Dear thanked Mr. Sugarbaker for the presentation.

DIS 1999 Legislative Update

Mr. Sam Hunt gave an update on the legislative activity that specifically relates to ISB and DIS for information technology. All three DIS request bills passed – the software exemption bill, the Year 2000 liability bill, and the Portfolio Management bill.

The ISB will be getting two new members from the Legislature to equally represent each major caucus in the Senate and the House of Representatives.

Mr. Hunt provided the ISB with a list of projects for which it will have oversight responsibilities in the 902 provisos. For the K-20 Network, the Legislature provided $7.4 million to complete phase two, which will connect all K-12 sites and some additional college and university branch facilities. It also appropriated funds for the maintenance and operation of the system so the entire appropriation for the K-20 network is approximately $24 million for this biennium for completion and maintenance. The Legislature also passed SB 5789, which replaces the Telecommunications Oversight Policy Committee (TOPC) with a K-20 governance committee led by a chairperson. A bill to allow agencies to donate surplus computer equipment to schools passed. Overall there was a broad range of technology-related legislation that received the attention of the Legislature.

Mr. Dear asked DIS to assist the Public Disclosure Commission to prepare to improve public access to information. Mr. Hunt said DIS has made contact and is helping them get started using their appropriation of $414,000.

Mr. Coolican praised the shared success of the K-20 project and thanked DIS and the ISB for providing potential positive effects on our schools, equalizing the access to technology opportunities for all the schools.

Mr. Hunt praised legislators, including Representatives Wolfe, Ruderman, and Radcliff, and Senators Brown and Finkbeiner for taking the time to understand the issues related to technology in the public sector, which helped raise the level of interest and understanding of technology issues.

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Representative Wolfe commended Dr. Ed Lazowska and the Governor's office for their work on the technology initiative.

Portfolio-based IT Management and Oversight

Mr. Taylor asked the ISB to approve four policies that were updated to comport with Information Technology Portfolio Management principles. The Legislature passed SB 5194 which brings the portfolio management process into law.

He requested approval for the Portfolio Management Policy, Information Technology Planning Policy, Project Management Policy, and Annual Portfolio Review Policy. The Customer Advisory Board has reviewed these policies. There have been supporting guidelines and standards developed to be consistent with the principles of Information Technology Portfolio Management.

It was moved and seconded to approve the policies.

The motion carried unanimously.

Mr. Charlie Baum provided the ISB with a data-rich graphical report that demonstrated how DNR analyzed the information collected for the agency portfolio to provide executive management with the types of information needed to make a decision about systems and the value of the technology investment. He said the portfolio data should used to generate additional reports to help with future technology strategies to enhance and expedite effective business decisions.

New Business

None

Adjournment

The meeting was adjourned.

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